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27 OCTOBER 2026

TODAY'S TOP HIGHLIGHTS

Rs 1,86,666 CR

BIDS IN THE 26 OCT 4-DAY VRR

RBI's Rs 1,50,000 crore 4-day VRR allotted at a 5.55% cut-off; bids ran 1.24 times the notified amount.

+56%

IOB Q2 STANDALONE NET PROFIT

Anup Bagchi becomes HDFC Bank MD and CEO today after RBI approval on 1 October; Jagdishan's tenure ends.

95.19

RUPEE PER US DOLLAR, 26 OCT CLOSE

IOB Q2 net profit up 56% to Rs 1,912 crore; REC down 21% but issues India's first tokenised corporate bond.

Bagchi takes charge of HDFC Bank as VRR bids signal a thirsty system

Price of the Edition: Complimentary Copy

Designed and prepared by CrackExam.co.in Team

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Monetary Policy Rates

As on 27 October 2026

RATE	CURRENT	EFFECTIVE FROM
Policy Repo Rate	5.50%	w.e.f. 7 October 2026
Standing Deposit Facility (SDF)	5.25%	w.e.f. 7 October 2026
Marginal Standing Facility (MSF)	5.75%	w.e.f. 7 October 2026
Bank Rate	5.75%	w.e.f. 7 October 2026
Cash Reserve Ratio (CRR)	3.00%	fortnight from 29 Nov 2025
Statutory Liquidity Ratio (SLR)	18.00%	RBI CRR & SLR Directions, 2025

Repo, SDF, MSF and Bank Rate unchanged since the 7 October MPC resolution.
CRR and SLR re-checked against the RBI homepage on 27 October 2026.

Sources: [RBI current rates](#) | [RBI MPC resolution](#) | [RBI CRR change](#) | [RBI reserve ratios](#)

News Headlines

- 1. RBI's Rs 1.5 lakh crore 4-day VRR draws bids of Rs 1,86,666 crore; cut-off 5.55%** (Cover Story)
- 2. Anup Bagchi takes charge as HDFC Bank MD and CEO; Jagdishan tenure ends, Bharucha to step down in December** (Banking & Financial Industry News)
- 3. Indian Overseas Bank Q2 FY27: standalone net profit up 56% to Rs 1,912 crore; gross NPA down to 1.19%; QIP planned in Q4** (Banking & Financial Industry News)
- 4. REC Q2 FY27: net profit down 21% to Rs 3,478 crore; Rs 3.50 second interim dividend; India's first tokenised corporate bond under SEBI sandbox** (Banking & Financial Industry News)
- 5. Markets snap four-day losing streak: Sensex up 483 points to 73,607, Nifty at 22,753; DIIs outbuy FII selling** (Economy & Financial Awareness)
- 6. Rupee slips to 95.19, a three-session low; FM: RBI acts to prevent sudden fluctuations, does not fix the rupee's value** (Economy & Financial Awareness)
- 7. Draft National Steel Policy: Vision 2047 targets 604 million tonnes of crude steel capacity; comments open till 30 October** (Economy & Financial Awareness)
- 8. Digital-arrest fraud of Rs 2 crore through 10 RTGS transfers: CBI court in Mohali rejects bail of account-access facilitator** (Credit/NPA & Risk Management)
- 9. Brazil: Lula wins fourth term in runoff; Bovespa posts worst day since March 2020, real sinks over 8%** (National, International & Appointments)

Tuesday's edition is a study in pulls and pressures. The RBI's third VRR in four trading days - a 4-day auction of Rs 1,50,000 crore - still drew bids of Rs 1,86,666 crore, a clear sign that festive-season liquidity remains tight even at a 5.55% cut-off. HDFC Bank begins a new chapter as Anup Bagchi takes charge as MD and CEO today, the RBI having cleared his three-year term on 1 October. Earnings stayed mixed: Indian Overseas Bank's standalone profit jumped 56% with gross NPAs down to 1.19%, while REC's profit slipped 21% - though it made history with India's first tokenised corporate bond under SEBI's sandbox. Equity markets snapped a four-day losing streak, the Sensex rising 483 points, but the rupee slipped to 95.19, prompting the Finance Minister to stress that the RBI smooths volatility rather than fixing the exchange rate. Also inside: a Mohali CBI court's bail denial in a Rs 2 crore digital-arrest fraud, the draft National Steel Policy's 604 MT ambition, Brazil's post-election market jolt.

Cover Story

RBI's Rs 1.5 lakh crore 4-day VRR draws bids of Rs 1,86,666 crore; cut-off 5.55%

26 October 2026 | RBI press release 2026-2027/1386, 26 October 2026 (read in full)

The Reserve Bank of India conducted the 4-day Variable Rate Repo (VRR) auction under the Liquidity Adjustment Facility on 26 October 2026 against a notified amount of Rs 1,50,000 crore.

Banks bid Rs 1,86,666 crore - about 1.24 times the notified amount - reflecting the system's persistent liquidity deficit through the festive season.

The RBI allotted Rs 1,50,007 crore at a cut-off rate of 5.55%; the weighted average rate of accepted bids was 5.59%. Bids placed at the cut-off rate received partial allotment of 85.07%.

This was the third VRR in four trading days: an overnight VRR on 22 October drew bids of Rs 1,62,354 crore at a 5.54% cut-off, a 3-day VRR on 23 October followed, and the 26 October 4-day auction takes the recent injection past Rs 3 lakh crore of notified amounts.

Key facts

Notified Rs 1,50,000 crore; bids Rs 1,86,666 crore; allotted Rs 1,50,007 crore

Cut-off rate 5.55%; weighted average rate 5.59%; partial allotment at cut-off 85.07%

4-day tenor, conducted under LAF on 26 October 2026; third VRR in four trading days

Exam takeaway: A VRR auction injects liquidity: banks borrow from the RBI against government securities. Read the demand signal: bids of 1.24x the notified amount with allotment capped at the notified amount mean the deficit is larger than what the auction relieves. The cut-off (5.55%) sitting above the repo rate (5.50%) is typical when liquidity is tight.

One-minute recall: VRR 26 Oct: notified Rs 1.5 lakh cr; bids Rs 1,86,666 cr; cut-off 5.55%; allotted Rs 1,50,007 cr; WAR 5.59%.

RBI press release 2026-2027/1386, 26 October 2026 (read in full)

Banking & Financial Industry News

Anup Bagchi takes charge as HDFC Bank MD and CEO; Jagdishan tenure ends, Bharucha to step down in December

27 October 2026 (assumes office) | HDFC Bank exchange filing Ref. SE/2026-27/117, 1 October 2026 (read in full); Bharucha and Vadera board items per Banking Herald, 26 October 2026 (read in full)

Anup Bagchi becomes Managing Director and CEO of HDFC Bank on 27 October 2026. The RBI approved his appointment and remuneration on 1 October 2026 for a three-year term through 26 October 2029. He succeeds Sashidhar Jagdishan, whose tenure ended at the close of business on 26 October 2026. Bagchi joined the board as an Additional Director on 2 October, and his appointment goes to shareholders for approval.

Bagchi spent more than three decades with the ICICI Group, which he joined in 1992, across treasury, retail, wholesale, investment banking and digital financial services. He was Executive Director of ICICI Bank from 2017 to 2023 - overseeing Retail, Business and Rural Banking, and later Wholesale Banking - and MD and CEO of ICICI Securities before leading ICICI Prudential Life Insurance as MD and CEO from June 2023. In FY2025 the insurer's Annualised Premium Equivalent crossed Rs 10,000 crore for the first time, rising 15% to Rs 10,407 crore, while profit after tax grew nearly 40% to Rs 1,189 crore. He is an IIT Kanpur engineer and an IIM Bangalore management graduate.

The transition is wider than the top job. Deputy Managing Director Kaizad Bharucha has asked to step down from the close of business on 31 December 2026 after more than three decades with the bank, the bank disclosed on 17 October; the board called him one of the principal architects of its credit framework. The board also re-appointed former RBI Executive Director Lily Vadera as an Independent Director for three years from 26 November 2026.

Key facts

Anup Bagchi becomes HDFC Bank MD and CEO on 27 October 2026; RBI approved on 1 October for three years to 26 October 2029

Succeeds Sashidhar Jagdishan; ICICI Group veteran since 1992; was MD and CEO of ICICI Prudential Life from June 2023

Deputy MD Kaizad Bharucha to step down on 31 December 2026; Lily Vadera re-appointed Independent Director from 26 November 2026

Exam takeaway: Map the sequence for exam questions: RBI approval (1 October), Additional Director (2 October), Jagdishan's tenure ends (26 October), Bagchi assumes office (27 October), Bharucha's exit (31 December). Private-bank MD and CEO appointments need prior RBI approval under Section 35B of the Banking Regulation Act,

1949.

One-minute recall: HDFC Bank: Anup Bagchi MD-CEO from 27 Oct 2026 (RBI nod 1 Oct; 3-yr term); succeeds Jagdishan; Bharucha exits 31 Dec.

HDFC Bank exchange filing Ref. SE/2026-27/117, 1 October 2026 (read in full); Bharucha and Vadera board items per Banking Herald, 26 October 2026 (read in full) | Banking Herald

Indian Overseas Bank Q2 FY27: standalone net profit up 56% to Rs 1,912 crore; gross NPA down to 1.19%; QIP planned in Q4

26 October 2026 (results announced) | IOB's own results press release on NSE, 26 October 2026 (read in full); The Hindu (PTI), 26 October 2026 (read in full); NDTV Profit corroborates standalone figures; board approval per IOB's BSE filing IRC/154/2026-27, 26 October 2026 (read in full)

Indian Overseas Bank reported a 56% rise in standalone net profit to Rs 1,912.42 crore for the September 2026 quarter, from Rs 1,226.42 crore a year earlier; consolidated net profit rose 55.9% to Rs 1,962.67 crore. Core net interest income grew 26.4% year-on-year to Rs 3,867 crore, and domestic net interest margin improved to 3.49% from 3.48% in the June quarter and 3.35% a year ago.

Total deposits grew 20.16% to Rs 4.07 lakh crore, helped by 20.73% growth in current and savings accounts (domestic CASA ratio 41.14%), while advances rose 24.35% to Rs 3,45,650 crore; the retail, agriculture and MSME (RAM) book grew 34.51% to Rs 2.83 lakh crore. The bank mobilised USD 1.12 billion (about Rs 11,000 crore) under the FCNR(B) concessional swap window, roughly 70% of it from overseas branches.

Asset quality improved: gross NPA ratio fell to 1.19% from 1.33% in the June quarter and 1.83% a year earlier, and net NPA ratio eased to 0.16% from 0.18% sequentially. Pre-provision operating profit rose 25.7% to Rs 3,016.49 crore, provisions increased to Rs 950.08 crore, the slippage ratio was 0.07%, and the capital adequacy ratio stood at 18.60%. MD and CEO Ajay Kumar Srivastava said the bank plans to launch a qualified institutional placement (QIP) in the fourth quarter of FY27.

Key facts

Standalone net profit Rs 1,912.42 crore, up 56% YoY; consolidated Rs 1,962.67 crore, up 55.9%

NII Rs 3,867 crore (+26.4%); domestic NIM 3.49%; deposits Rs 4.07 lakh crore (+20.16%); advances Rs 3,45,650 crore (+24.35%)

GNPA 1.19% (1.33% QoQ, 1.83% YoY); NNPA 0.16%; CRAR 18.60%; QIP planned in Q4 FY27

Exam takeaway: Track the public-sector bank recovery theme: profits up, GNPA below 1.2%, capital at 18.6%, and a QIP to fund growth. Separate the two profit figures carefully - standalone Rs 1,912 crore versus consolidated Rs 1,962.67 crore; examiners love that distinction.

One-minute recall: IOB Q2 FY27: PAT +56% to Rs 1,912 cr; NII +26.4%; GNPA 1.19%; deposits Rs 4.07 lakh cr; QIP in Q4.

IOB's own results press release on NSE, 26 October 2026 (read in full); The Hindu (PTI), 26 October 2026 (read in full); NDTV Profit corroborates standalone figures; board approval per IOB's BSE filing IRC/154/2026-27, 26 October 2026 (read in full) | The Hindu (PTI), 26 October 2026 | IOB BSE filing IRC/154/2026-27, 26 October 2026

REC Q2 FY27: net profit down 21% to Rs 3,478 crore; Rs 3.50 second interim dividend; India's first tokenised corporate bond under SEBI sandbox

26 October 2026 (results announced) | CNBC TV18, 26 October 2026 (read in full); results approval, dividend, record and payment dates per REC's exchange filing SEC-II 187(2)/2026/3077, 26 October 2026 (read in full)

State-owned REC reported a 21.2% year-on-year decline in net profit to Rs 3,478 crore for the September 2026 quarter, from Rs 4,415 crore a year earlier; net interest income fell 9% to Rs 5,478 crore from Rs 6,022 crore. The board declared a second interim dividend of Rs 3.50 per equity share of face value Rs 10 for FY27, with 30 October 2026 as the record date and payment on or before 21 November 2026.

REC's renewable energy portfolio grew 27% year-on-year to about Rs 86,660 crore, and its

non-power infrastructure and logistics portfolio reached about Rs 61,637 crore - now more than 10% of total loan assets.

The company also said it successfully issued India's first pilot tokenised corporate bond under SEBI's regulated sandbox framework: the Rs 500 crore issue attracted bids of about Rs 796 crore.

Key facts

Net profit Rs 3,478 crore (-21.2% YoY); NII Rs 5,478 crore (-9%)

Second interim dividend Rs 3.50 per share (FV Rs 10); record date 30 October 2026; payment by 21 November 2026

India's first pilot tokenised corporate bond: Rs 500 crore issue, bids of about Rs 796 crore, under SEBI's regulated sandbox

Exam takeaway: Two exam hooks here: the dividend mechanics (record date 30 October, payment within the statutory window) and the tokenised bond - a first under SEBI's regulated sandbox, showing how capital-market innovation is being tested in a supervised environment.

One-minute recall: REC Q2: PAT -21% to Rs 3,478 cr; dividend Rs 3.50 (record 30 Oct); Rs 500 cr tokenised bond under SEBI sandbox drew Rs 796 cr bids.

CNBC TV18, 26 October 2026 (read in full); results approval, dividend, record and payment dates per REC's exchange filing SEC-II 187(2)/2026/3077, 26 October 2026 (read in full) | REC board-outcome filing (BSE)

Economy & Financial Awareness

Markets snap four-day losing streak: Sensex up 483 points to 73,607, Nifty at 22,753; DIIs outbuy FII selling

26 October 2026 | The Hindu BusinessLine, 26 October 2026 (read in full); FII/DII flow data per CNBC TV18, 26 October 2026

Indian equities rebounded on 26 October 2026 after four straight falls. The Sensex rose 482.92 points (0.66%) to 73,606.75 after touching an intraday low of 72,514.57, and the Nifty 50 climbed 153.20 points (0.68%) to 22,753.20 - recovering nearly 370

points from its intraday low of 22,387. The Nifty Midcap 100 gained 1.19% and the Smallcap 100 1.38%, after the two indices lost over 12% combined the previous week.

Metal, pharma, healthcare, oil and gas and capital goods led; the Nifty Metal index rose 2.2%, supported by the draft National Steel Policy Vision 2047. Dr Reddy's Laboratories topped the Nifty with a 7.08% jump to Rs 1,316.60 after strong Q2 results, while Shriram Finance fell 4.47% after cutting its AUM growth guidance.

Foreign institutional investors were net sellers of Rs 1,462.49 crore while domestic institutional investors net bought Rs 2,609.57 crore, provisional exchange data showed - domestic buying exceeded foreign selling by about Rs 1,147 crore. Over the four sessions of the previous week, FIIs sold Rs 2,697.37 crore while DIIs bought Rs 10,942.19 crore. Traders now watch the US Federal Reserve decision on 28 October, the ECB on 29 October and the Bank of Japan on 30 October.

Key facts

Sensex 73,606.75 (+482.92 points, +0.66%); Nifty 22,753.20 (+153.20 points, +0.68%) - four-session losing streak ends

Nifty recovered about 370 points from its intraday low of 22,387; Metal index +2.2%; Dr Reddy's +7.08%; Shriram Finance -4.47%

FIIs net sold Rs 1,462.49 crore; DIIs net bought Rs 2,609.57 crore; Fed decision on 28 October, ECB 29, BoJ 30

Exam takeaway: Note the flow pattern: persistent FII selling absorbed by larger DII buying is what let indices close at the day's high. Keep the three central-bank dates (Fed 28, ECB 29, BoJ 30 October) handy - clustered global decisions drive the week's volatility.

One-minute recall: Markets 26 Oct: Sensex 73,607 (+483); Nifty 22,753 (+153); FIIs sell Rs 1,462 cr, DIIs buy Rs 2,610 cr.

The Hindu BusinessLine, 26 October 2026 (read in full); FII/DII flow data per CNBC TV18, 26 October 2026

Rupee slips to 95.19, a three-session low; FM: RBI acts to prevent sudden fluctuations, does not fix the rupee's value

26 October 2026 | The Hindu BusinessLine market wrap and moneycontrol rupee report, both 26 October 2026 (single-day move, read in full); FM remarks and intraday levels per CNBC TV18, 26 October 2026 (read in full)

The rupee weakened for a third straight session on 26 October 2026, closing 25 paise lower at 95.19 against the US dollar (The Hindu BusinessLine; moneycontrol) as softer Asian currencies, elevated crude and rising domestic bond yields weighed. The currency opened at 94.92 and touched an intraday low of 95.26 per CNBC TV18. Brent crude eased to about USD 115 per barrel from a near six-month high of USD 116.72, but West Asia supply risks kept pressure on importers' dollar demand.

Speaking to reporters in Tiruchirappalli, Tamil Nadu, Finance Minister Nirmala Sitharaman said the RBI was taking measures to prevent sudden fluctuations in the value of the rupee, stressing that the central bank does not decide what the rupee's value should be and does not seek to fix the exchange rate.

She had made similar remarks on 13 October at the Bloomberg New Economy Forum in New Delhi - that the RBI is trying to stop volatility, not fix the rupee - while maintaining that macroeconomic fundamentals remained sound and foreign exchange reserves adequate.

Key facts

Rupee closed at 95.19 per USD on 26 October 2026, down 25 paise on the day (from 94.94) - a third straight session of losses and a three-session low

Intraday range: opened 94.92, low 95.26 (CNBC TV18); previous close 94.94 (The Hindu BusinessLine/moneycontrol)

FM Sitharaman (Tiruchirappalli): RBI acts to prevent sudden fluctuations; it does not decide the rupee's value

Exam takeaway: The distinction is the exam point: India runs a managed float - the RBI smooths volatility rather than defending a level. Link it to

tools: forex reserves and market operations are the smoothing instruments.

One-minute recall: Rupee 95.19 (26 Oct), -25 paise on the day, third straight fall; FM: RBI smooths volatility, does not fix the rate.

The Hindu BusinessLine market wrap and moneycontrol rupee report, both 26 October 2026 (single-day move, read in full); FM remarks and intraday levels per CNBC TV18, 26 October 2026 (read in full) | moneycontrol rupee report, 26 October 2026

Draft National Steel Policy: Vision 2047 targets 604 million tonnes of crude steel capacity; comments open till 30 October

October 2026 (draft out for consultation) | Ministry of Steel, Draft National Steel Policy: Vision 2047 page and Executive Summary (steel.gov.in, read in full); SteelRadar report corroborates; market impact per The Hindu BusinessLine

The Ministry of Steel has released the draft National Steel Policy: Vision 2047 for public consultation, with comments invited until 30 October 2026. The draft targets annual crude steel production capacity of 604 million tonnes by 2047, up from about 220 million tonnes now; finished steel consumption is projected to reach 505 million tonnes and per-capita consumption to rise from about 116 kg to 302 kg, with annual steel exports of 45 million tonnes.

Raw material security is a core plank: raw materials account for roughly 65-70% of production costs, and while India is largely self-sufficient in iron ore, it imports about 92% of its coking coal needs. The draft proposes domestic mining and coal-washing capacity, long-term supply agreements and overseas asset acquisition.

On decarbonisation, the draft aims to cut average emissions intensity from 2.54 tonnes of CO₂ per tonne of crude steel to 1.54 tonnes by 2047, through energy efficiency, renewable power, scrap and hydrogen use and carbon capture. It also targets raising rail's share of steel logistics from about 40% to 62% and cutting road's share from 59% to 35%. The Nifty Metal index rose 2.2% on 26 October, aided by the policy draft.

Key facts

Draft National Steel Policy: Vision 2047 - crude steel capacity target 604 MT by 2047 (from about 220 MT); comments till 30 October 2026

Finished steel consumption 505 MT; per-capita consumption 116 kg to 302 kg; exports 45 MT

Coking coal import dependence about 92%; emissions intensity target 2.54 to 1.54 tonnes CO₂ per tonne of crude steel

Exam takeaway: Keep the four headline numbers together: 604 MT capacity, 505 MT consumption, 302 kg per capita, 45 MT exports - all by 2047. The 92% coking-coal import dependence is the vulnerability the draft tries to fix.

One-minute recall: Draft Steel Policy Vision 2047: 604 MT capacity, 302 kg per-capita use, 45 MT exports; comments till 30 Oct.

Ministry of Steel, Draft National Steel Policy: Vision 2047 page and Executive Summary (steel.gov.in, read in full); SteelRadar report corroborates; market impact per The Hindu BusinessLine | Executive Summary of NSP Vision 2047 (Ministry of Steel) | SteelRadar report

Government Schemes

No verified update for this section today.

Credit/NPA & Risk Management

Digital-arrest fraud of Rs 2 crore through 10 RTGS transfers: CBI court in Mohali rejects bail of account-access facilitator

26 October 2026 (bail order reported) | Hindustan Times, 26 October 2026 (read in full)

A special CBI court in Mohali rejected the regular bail plea of a 26-year-old man accused of helping access a bank account used to route part of the Rs 2 crore proceeds of a 'digital arrest' fraud targeting a retired Punjab State Power Corporation Limited (PSPCL) chief engineer. Special judicial magistrate Karanvir Singh Maju held that the banking and digital trail and statements of other accused warranted further scrutiny, and noted the money had yet to be fully recovered.

According to the CBI, the complainant - who retired as a PSPCL chief engineer on 30 April 2025 - received calls from people posing as government and law-enforcement officials from 9 May 2025. The callers falsely linked him to a money-laundering case and kept him under phone and video surveillance, creating the impression of a 'digital arrest'. Between 13 May and 11 June 2025, he transferred Rs 2 crore through 10 RTGS transactions from his State Bank of India account to nine bank accounts.

Investigators allege an HDFC Bank account of the Saismruti Charitable Trust received Rs 15 lakh of the money on 23 May 2025 and moved it onwards the same day; the CBI says the account's credentials and linked SIM were supplied down a chain of intermediaries to the accused. The Punjab and Haryana High Court ordered the CBI takeover on 17 March 2026, and the agency filed a chargesheet against eight accused on 27 August 2026.

Key facts

Victim: retired PSPCL chief engineer; Rs 2 crore lost via 10 RTGS transfers from an SBI account to nine accounts (13 May-11 June 2025)

Rs 15 lakh routed through an HDFC Bank account of Saismruti Charitable Trust and moved on the same day

Punjab and Haryana HC ordered CBI takeover on 17 March 2026; chargesheet against eight accused filed 27 August 2026; bail rejected 26 October 2026

Exam takeaway: Fraud pattern to remember: 'digital arrest' has no legal existence - no agency arrests anyone over a video call. For banking exams, note the laundering mechanics: RTGS chosen for instant, high-value, irrevocable transfer; funds split across nine accounts; a charitable-trust account used as a mule layer.

One-minute recall: PSPCL digital-arrest case: Rs 2 cr via 10 RTGS to 9 accounts; CBI chargesheet vs 8; Mohali court denies bail (26 Oct).

[Hindustan Times, 26 October 2026 \(read in full\)](#)

National, International & Appointments

Brazil: Lula wins fourth term in runoff; Bovespa posts worst day since March 2020, real sinks over 8%

25-26 October 2026 | TSE (Tribunal Superior Eleitoral) official announcement, 25-26 October 2026 (read in full; exact counts 64,256,232 / 59,826,041 = 51.7852% / 48.2148%); intraday moves per Quartz citing Reuters (read in full); closing levels per Reuters and Exame/G1; inauguration date per Agencia Senado (25 October 2026)

Brazil's Superior Electoral Court (TSE) announced on Sunday, 25 October 2026, that Luiz Inacio Lula da Silva was re-elected president with 64,256,232 valid votes (51.79%) against 59,826,041 (48.21%) for Senator Flavio Bolsonaro - a margin of about 4.43 million votes. The win gives Lula a fourth non-consecutive term after he trailed Bolsonaro in the first round. Bolsonaro refused to concede and said he would seek annulment of the result; US President Donald Trump called the election 'rigged' without providing evidence.

Markets reacted violently on Monday, 26 October. The Bovespa stock index fell as much as 17% intraday (Reuters, via Quartz) after operator B3 paused trading for 30 minutes when a 10% drop triggered the circuit breaker; it closed down 13.88% at 176,608.23 points - its worst day since March 2020 (Exame/G1, corroborated by Bloomberg Linea and Infobae). The real fell 8.1% against the US dollar at the close - its biggest one-day drop since 2002 (Reuters) - after being down more than 10% intraday (Al Jazeera/Reuters).

The sell-off reflected bets gone wrong: investors had positioned for a Bolsonaro win and tighter fiscal policy, leaving the Bovespa almost 7% above its pre-first-round level at Friday's close. Brazil's Treasury called off inflation-linked and fixed-rate bond auctions scheduled for 27 and 29 October. Attention now turns to Lula's choice of finance minister; his team has said it targets a budget surplus near 1.3% of GDP by 2030. In its post-election briefing, the TSE detailed the Supreme Court's two-hour extension of voting in still-open sections, an unprecedented step taken after many voting machines had already closed. The inauguration is scheduled for 5 January 2027, per

Agencia Senado.

Key facts

TSE official result: Lula 64,256,232 votes (51.79%) vs Flavio Bolsonaro 59,826,041 (48.21%); margin about 4.43 million; announced 25 October 2026

Bovespa: intraday fall up to 17% (Reuters via Quartz); closed -13.88% at 176,608.23 - worst day since March 2020; 30-minute circuit breaker after a 10% drop

Real fell 8.1% at the close - biggest one-day drop since 2002 (Reuters); over 10% down intraday; Brazil's Treasury called off bond auctions scheduled for 27 and 29 October

Inauguration for the new term: 5 January 2027 (Agencia Senado, official Senate news)

Exam takeaway: For the international-affairs slot, hold the TSE percentages (51.79% vs 48.21%) and keep intraday and closing market moves separate: the Bovespa fell as much as 17% intraday but closed -13.88% (worst day since March 2020), while the real fell 8.1% at the close (biggest one-day drop since 2002) after a deeper intraday slide - the same global risk channel that moves FII flows into and out of India.

One-minute recall: Brazil: Lula re-elected (51.79% vs 48.21%, TSE, 25 Oct); Bovespa closed -13.88% (worst since Mar 2020) after -17% intraday; real -8.1% close (worst since 2002); inauguration 5 Jan 2027.

TSE (Tribunal Superior Eleitoral) official announcement, 25-26 October 2026 (read in full; exact counts 64,256,232 / 59,826,041 = 51.7852% / 48.2148%); intraday moves per Quartz citing Reuters (read in full); closing levels per Reuters and Exame/G1; inauguration date per Agencia Senado (25 October 2026) | Quartz citing Reuters, updated 26 October 2026 (intraday moves) | Exame, 26 October 2026 (Bovespa close -13.88%) | Agencia Senado, 25 October 2026 (inauguration date)

Knowledge Article

How a Variable Rate Repo auction injects liquidity - reading the 26 October result

RBI press releases on the 22, 23 and 26 October 2026 VRR operations (read in full); RBI LAF framework

A Variable Rate Repo (VRR) auction is the RBI's main tool for injecting liquidity when the banking system is in deficit. The RBI notifies an amount and tenor; banks bid the rate at which they will borrow against government securities; allotment starts from the lowest rate and fills up to the notified amount. The rate at which the notified amount is fully allotted becomes the cut-off.

Demand tells the story. On 26 October, banks bid Rs 1,86,666 crore for a Rs 1,50,000 crore 4-day auction - 1.24 times the notified amount - so allotment stopped at Rs 1,50,007 crore, and bids at the 5.55% cut-off were part-filled (85.07%). Oversubscription plus a cut-off above the 5.50% repo rate signals banks are short of funds and willing to pay up.

Context matters: the 22 October overnight VRR drew Rs 1,62,354 crore at 5.54%, a 3-day VRR followed on 23 October, and the 4-day operation came on 26 October - a sequence the RBI runs when advance tax outflows, GST payments and festive currency demand drain liquidity together.

Key facts

VRR = liquidity injection; banks borrow against G-secs through competitive rate bids

Allotment from the lowest rate up to the notified amount; cut-off is where the notified amount fills

Oversubscription (1.24x) and a cut-off above repo (5.55% vs 5.50%) signal a system liquidity deficit

RBI press releases on the 22, 23 and 26 October 2026 VRR operations (read in full); RBI LAF framework

Practical Banking Case Study

Following Rs 2 crore: the money trail in the PSPCL digital-arrest fraud

Worked example from the Hindustan Times report of the Mohali CBI court's bail order, 26 October 2026; ratios computed here.

A retired PSPCL chief engineer was kept under a fake 'digital arrest' by callers posing as officials and, between 13 May and 11 June 2025, transferred Rs 2 crore from his SBI account through 10 RTGS transactions into nine bank accounts. One HDFC Bank account - of the Saismruti Charitable Trust - received Rs 15 lakh on 23 May 2025 and moved it on the same day. The CBI alleges the account's credentials and linked SIM were supplied down a

chain of intermediaries.

Working

Average ticket size = Rs 2 crore over 10 RTGS transfers = about Rs 20 lakh per transaction - large enough to be instant and irrevocable, spread thin enough to avoid one conspicuous transfer.

The charitable-trust account that received Rs 15 lakh moved it onwards the same day - classic mule behaviour: money rests only briefly in the layering account.

Nine destination accounts for 10 transfers means at least one account was used twice - account-level analysis is what lets investigators map the network.

Timeline: fraud May-June 2025; High Court orders CBI takeover 17 March 2026; chargesheet against eight accused 27 August 2026; bail rejected 26 October 2026 - recovery of the full amount was still pending.

Exam takeaway: High-value fraud rides on ordinary rails: RTGS for speed and finality, mule and front accounts for layering, and intermediaries who sell account access. For a banker, the controls are account-level monitoring, beneficiary verification on fresh high-value payees, and the willingness to question a rushed, secrecy-demanding customer - 'digital arrest' has no legal existence.

Today's Scheme

Sovereign Gold Bond Scheme: features, and the 23 October final redemption of SGB 2018-19 Series-II

RBI press release 2026-2027/1369, 22 October 2026 (read in full); GOI notification F.No.4(22)-B(W&M)/2018 dated 8 October 2018

The Sovereign Gold Bond Scheme, launched in November 2015, issues government securities denominated in grams of gold on behalf of the Government of India by the RBI. Investors pay the issue price in cash and the bond is redeemed in cash on maturity; individual investors get a fixed 2.5% per annum interest on the nominal value, paid half-yearly.

An SGB has a tenor of eight years, with premature redemption allowed from the fifth year on interest-payment dates. The redemption price is the simple average of the closing price of gold of 999 purity for the previous three business days, as published by the India Bullion and Jewellers

Association Ltd (IBJA). For individuals, capital gains on redemption are exempt from tax.

The latest milestone: SGB 2018-19 Series-II, issued on 23 October 2018, reached its final redemption on 23 October 2026 - exactly eight years on. The RBI set the redemption price at Rs 14,425 per unit, based on the IBJA average for 19, 21 and 22 October 2026, delivering investors a return of roughly 4.6 times the issue price before counting the 2.5% annual interest.

Key facts

Launched November 2015; denominated in grams of gold; 2.5% annual interest, paid half-yearly

Tenor 8 years; premature redemption from the 5th year on interest-payment dates; redemption price = IBJA 3-day average of 999-purity gold

SGB 2018-19 Series-II (issued 23 Oct 2018) redeemed on 23 October 2026 at Rs 14,425 per unit - about 4.6x the issue price

Exam takeaway: Remember the mechanics: SGBs pay 2.5% interest on the nominal (issue) value, not on the gold price. Redemption pricing uses the IBJA three-business-day simple average of 999-purity gold. Capital gains on redemption are tax-exempt for individuals - a favourite one-liner in exams.

[RBI press release 2026-2027/1369, 22 October 2026 \(read in full\)](#); [GOI notification F.No.4\(22\)-B\(W&M\)/2018 dated 8 October 2018](#)

Bank Promotion Exam Corner

VRR 26 October: 4-day, notified Rs 1,50,000 crore; bids Rs 1,86,666 crore; allotted Rs 1,50,007 crore; cut-off 5.55%; WAR 5.59%; third VRR in four trading days.

HDFC Bank: Anup Bagchi MD and CEO from 27 October 2026 (RBI approval 1 October; term to 26 October 2029); succeeds Sashidhar Jagdishan; Deputy MD Kaizad Bharucha exits 31 December 2026; Lily Vadera re-appointed Independent Director.

IOB Q2 FY27: standalone PAT Rs 1,912.42 crore (+56%); NII Rs 3,867 crore (+26.4%); domestic NIM 3.49%; GNPA 1.19%; deposits Rs 4.07 lakh crore; QIP planned in Q4.

REC Q2 FY27: PAT Rs 3,478 crore (-21.2%); second interim dividend Rs 3.50 (record date 30 October); Rs 500 crore tokenised corporate bond under SEBI sandbox drew Rs 796 crore bids.

Markets 26 October: Sensex 73,606.75 (+482.92); Nifty 22,753.20 (+153.20); FII sell Rs 1,462.49 crore, DII buy Rs 2,609.57 crore; Fed 28, ECB 29, BoJ 30 October.

Rupee 95.19 per USD (26 Oct close, -25 paise on the day; third straight fall); FM: RBI prevents sudden fluctuations, does not fix the value.

Draft National Steel Policy Vision 2047: 604 MT capacity, 302 kg per-capita consumption, 45 MT exports; comments till 30 October 2026.

Ethics Quote of the Day

"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you will do things differently."

Warren Buffett (Wikiquote, Warren Buffett page; Quote Investigator traces the saying in his speeches)

Banking lesson: a fraud like the Rs 2 crore digital-arrest case destroys in days the trust a bank, a trust account or a retiree's lifetime of caution built over decades. Reputation and verification are daily disciplines, not one-time achievements.

Warren Buffett (Wikiquote, Warren Buffett page; Quote Investigator traces the saying in his speeches)

Technology in Banking

REC's Rs 500 crore tokenised corporate bond - a first under SEBI's regulated sandbox

CNBC TV18 report of REC's Q2 FY27 results and exchange filing, 26 October 2026

REC successfully issued India's first pilot tokenised corporate bond under SEBI's regulated sandbox framework. The Rs 500 crore issue attracted bids of about Rs 796 crore - oversubscribed roughly 1.6 times.

Tokenisation represents the bond as a digital token on a distributed ledger, which can make issuance, settlement and transfer faster and more transparent. The sandbox route lets SEBI watch such innovation in a supervised environment before wider rollout.

CNBC TV18 report of REC's Q2 FY27 results and exchange filing, 26 October 2026

Peer News

Kaizad Bharucha to step down as HDFC Bank Deputy MD on 31 December

HDFC Bank's 17 October 2026 disclosure, as reported by Banking Herald (read in full)

HDFC Bank disclosed on 17 October that Deputy Managing Director Kaizad Bharucha has asked to step down from the close of business on 31 December 2026, ending an association of more than three decades. The board called him one of the principal architects of the bank's credit framework; the request goes to the RBI for approval.

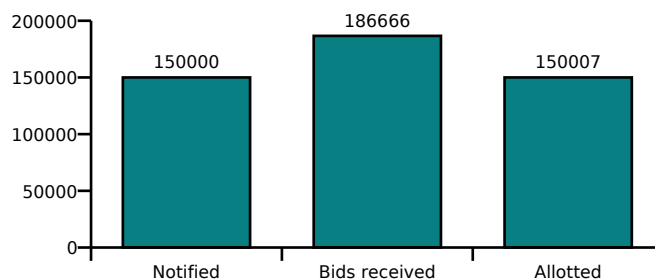
In the same sequence, the board re-appointed former RBI Executive Director Lily Vadera as an Independent Director for three years from 26 November 2026.

HDFC Bank's 17 October 2026 disclosure, as reported by Banking Herald (read in full)

Digital Clip: 26 October 4-day VRR (Rs crore)

Bids of Rs 1,86,666 crore chased a Rs 1,50,000 crore notified amount

RBI press release 2026-2027/1386, 26 October 2026 (read in full)



Bids ran 1.24 times the notified amount, and allotment stopped at Rs 1,50,007 crore with an 85.07% partial allotment at the 5.55% cut-off - the visual signature of a system short of liquidity.

RBI press release 2026-2027/1386, 26 October 2026 (read in full)

Article of the Day

Nifty ends 4-day losing streak, rupee hits 3-session low at 95.19

The Hindu BusinessLine (Anupama Ghosh), 26 October 2026

The wrap captures a dramatic Monday: the Nifty recovered nearly 370 points from its intraday low to close 153 points higher, even as the rupee slid 25 paise to 95.19 - the two moves together frame the week's risk picture.

It also flags what comes next: the US Federal Reserve's rate decision on 28 October, the ECB on 29 October and the Bank of Japan on 30 October - three central-bank decisions in three days.

The Hindu BusinessLine (Anupama Ghosh), 26 October 2026

Audiobook / Book of the Day

Lying for Money: How Legendary Frauds Reveal the Workings of the World by Dan Davies

Profile Books (2018); Simon & Schuster US edition (2019); publisher listings

Dan Davies, a former regulator, argues that frauds are not exotic exceptions but parasites on the normal workings of commerce - they succeed by looking like ordinary business until someone checks.

Read alongside today's digital-arrest case: the calls, the mule accounts and the same-day onward transfer were all ordinary-looking transactions. The book's lesson for bankers is that controls fail quietly, one unchecked step at a time.

Profile Books (2018); Simon & Schuster US edition (2019); publisher listings

Knowledge Byte

Record date vs payment date: REC's Rs 3.50 interim dividend

REC's exchange filing as reported by CNBC TV18, 26 October 2026

The record date - 30 October 2026 for REC's second interim dividend of Rs 3.50 per share - is the cut-off that decides which shareholders on the company's register are eligible for the dividend. The payment date is when the money actually reaches them; REC will pay on or before 21 November 2026.

With T+1 settlement, an investor must buy the share before the ex-date (the trading day preceding the record date) to be on the register in time. Buying on or after the ex-date means the dividend goes to the seller.

REC's exchange filing as reported by CNBC TV18, 26 October 2026

Aaj ka Shabd

Liquidity, Exchange Rate and Dividend

rajbhashahindi.com banking glossary (third-party; not an RBI page)

तरलता | विनिमय दर | लाभांश

Hindi terms above, in order: taralta (liquidity), vinimay dar (exchange rate) and laabhansh (dividend).

All three run through today's edition: the VRR auctions are fighting a liquidity deficit, the rupee's exchange rate closed at 95.19, and REC declared a Rs 3.50 interim dividend.

rajbhashahindi.com banking glossary (third-party; not an RBI page)

Data Analysis

Q2 FY27 scorecard: profits across banks and REC

Company results as reported by The Hindu/NDTV Profit (IOB), CNBC TV18 (REC) and earlier editions (Kotak, IDFC First, AU SFB)

Q2 FY27 standalone net profit	Value
Kotak Mahindra Bank	Rs 4,212 crore (+29% YoY)
IDFC FIRST Bank	Rs 1,045 crore (+196.5%)
AU Small Finance Bank	Rs 858 crore (+53%)
Indian Overseas Bank	Rs 1,912 crore (+56%)
REC	Rs 3,478 crore (-21%)

Four of the five reported double-digit profit growth, with IOB's 56% jump the standout among public-sector names so far; REC is the outlier on provisioning and margin pressure. IOB's gross NPA at 1.19% versus REC's 21% profit fall shows how asset quality, not loan growth alone, is driving this quarter's scorecard.

Company results as reported by The Hindu/NDTV Profit (IOB), CNBC TV18 (REC) and earlier editions (Kotak, IDFC First, AU SFB)

Daily MCQ Challenge

1. The notified amount for the RBI's 4-day Variable Rate Repo auction held on 26 October 2026 was:

- A. Rs 1,50,000 crore
- B. Rs 1,00,000 crore
- C. Rs 1,25,000 crore
- D. Rs 1,86,666 crore

Answer: A. RBI press release 2026-2027/1386: notified amount Rs 1,50,000 crore; Rs 1,86,666 crore was the total bids received.

2. The RBI approved Anup Bagchi's appointment as HDFC Bank's Managing Director and CEO under which provision of the Banking Regulation Act, 1949?

- A. Section 10
- B. Section 22
- C. Section 35B
- D. Section 45

Answer: C. HDFC Bank's exchange filing Ref. SE/2026-27/117 of 1 October 2026 says the RBI, vide its communication dated 1 October 2026, approved the appointment under Section 35B of the Banking Regulation Act, 1949; the bank also filed the same with the US SEC as a Form 6-K.

3. Indian Overseas Bank's standalone net profit in Q2 FY27 rose 56% to:

- A. Rs 1,258 crore
- B. Rs 1,962 crore
- C. Rs 1,912 crore
- D. Rs 2,400 crore

Answer: C. Standalone net profit was Rs 1,912.42 crore; Rs 1,962.67 crore is the consolidated figure and Rs 1,258.82 crore the year-ago consolidated profit.

4. REC's net profit in Q2 FY27 declined about what per cent year-on-year to Rs 3,478 crore?

- A. 9%
- B. 21%
- C. 15%
- D. 27%

Answer: B. Net profit fell 21.2% YoY to Rs 3,478 crore from Rs 4,415 crore; the 9% figure is the NII decline.

5. On 26 October 2026, the Sensex closed at:

- A. 72,514
- B. 73,124
- C. 73,607
- D. 74,090

Answer: C. The Sensex settled at 73,606.75, up 482.92 points; 72,514.57 was the intraday low.

Revision: recent days

24 October 2026: Earlier edition: the RBI notified a Rs 1,50,000 crore 4-day VRR for 26 October as liquidity slipped into deficit; IndusInd Bank returned to profit with a Q2 PAT of Rs 1,242 crore.

25 October 2026: Earlier edition: Kotak Q2 PAT Rs 4,212 crore (+29%), IDFC First Rs 1,045 crore (+196.5%), AU SFB Rs 858 crore (+53%); September CPI 5.54% with food at 7.74%; forex reserves USD 721.016 billion; IMF FY27 growth forecast 7%.

26 October 2026: Earlier edition: the PM inaugurated the RBI's Bhubaneswar Data Centre and Cybersecurity Training Institute, to house RTGS and NEFT; UPI crossed 2,400 crore monthly transactions (FM); IRDAI extended its distribution-reforms feedback to 31 October; the Sensex fell 2.15% in the holiday-shortened week; the ED searched seven premises in the Rs 326.49 crore KVPL consortium fraud; Mohamed Ashraf J S joined the UCO Bank board.

Sources and publication information

The VRR result, monetary policy rates and the SGB 2018-19 Series-II final redemption price are from RBI press releases and the RBI homepage, read in full (rbi.org.in). The HDFC Bank appointment is per the bank's own exchange filing Ref. SE/2026-27/117 of 1 October 2026 (RBI approval under Section 35B of the Banking Regulation Act, 1949, three-year term w.e.f. 27 October 2026); the Bharucha and Vadera board items are per Banking Herald's report of the 17 October disclosure. IOB figures are anchored to IOB's own results press release filed on NSE on 26 October 2026 (net profit up 55.95% to Rs 1,912 crore standalone), with The Hindu (PTI)/NDTV Profit; REC figures are per CNBC TV18 (The Hindu's headline figure of Rs 1,962.67 crore is the consolidated number), with board approvals confirmed in the companies' own BSE filings of 26 October 2026 (IOB IRC/154/2026-27; REC SEC-II 187(2)/2026/3077 - dividend, record and payment dates read from the filing). HDFC Bank also filed the appointment with the US SEC as a Form 6-K (EDGAR filing date 2 October 2026; signed 1 October 2026). Market levels and the rupee close (-25 paise on the day) are per The Hindu BusinessLine and moneycontrol; FII/DII flows per CNBC TV18; the FM's rupee remarks per CNBC TV18's Tiruchirappalli report. The digital-arrest case is per the Hindustan Times report of the Mohali CBI court order. Steel policy targets are per the Ministry of Steel's Draft National Steel Policy: Vision 2047 page and its Executive Summary (steel.gov.in, read in full: 604 MT capacity, 505 MT consumption, 302 kg per capita, 45 MT exports, 92% coking-coal imports), with SteelRadar corroborating and market impact per The Hindu BusinessLine. Brazil's result is per the TSE's official announcement (tse.jus.br, read in full): 51.79% vs 48.21% on exact counts of 64,256,232 / 59,826,041 valid votes; the intraday market moves are per Quartz citing Reuters and Al Jazeera, and the closing levels (Bovespa -13.88% at 176,608.23, worst since March 2020; real -8.1%, biggest one-day drop since 2002) are per Reuters and Exame/G1, corroborated by Bloomberg Linea and Infobae; the annulment and Trump remarks are per Moneycontrol; the inauguration date (5 January 2027) is per Agencia Senado (Brazilian Senate news). Where the primary page was not read, the reporting outlet is named in the source line.

The separate 25-question practice test uses the same verified dataset. Original practice, not an actual previous-year paper.

Designed and prepared by CrackExam.co.in Team